

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7340

BILL NUMBER: HB 1378

NOTE PREPARED: Apr 24, 2003

BILL AMENDED: Apr 24, 2003

SUBJECT: Abandoned Buildings.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR: Sen. Server

BILL STATUS: Enrolled

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (CCR Amended) This bill consists of the following provisions:

This bill grants community organizations standing to commence civil actions to promote compliance with ordinances when permitted by the enforcing agency. It provides that in any civil action filed by a community organization regarding an unsafe premises, a court may award reasonable attorney's fees, court costs, and other reasonable expenses of litigation to the prevailing party.

The bill allows community organizations to acquire dwellings through urban homesteading for rehabilitation and sale while allowing priority to individuals that hope to acquire the same dwellings.

The bill provides that an order issued by an enforcement authority under the unsafe building law concerning repair and rehabilitation of an unsafe building to bring it into compliance with certain required standards for building condition or maintenance becomes final ten days after notice is given unless a hearing is requested in writing by a person holding: (1) a fee interest; (2) life estate interest; or (3) an equitable interest of a contract purchaser in the unsafe premises.

The bill provides that orders must allow property owners at least 10, but not more than 60 days to accomplish actions to comply with ordinances. It allows municipalities to recover costs of bringing property into compliance with ordinances. It also allows a receiver in possession of property to sell the property, and provides for repair alternatives and the creation of liens for unsafe buildings in a receivership.

This bill provides that a municipal corporation or an enforcement authority may establish a registry of properties known to be: 1) in a condition that violates local ordinances; and 2) eligible for enforcement

procedures. It provides that the owners of properties listed in a registry of properties must provide an address for the service of process and the name and address of the insurance carrier providing coverage on the property.

This bill also provides that new enforcement activities made possible under this act that affect a property recorded in a registry of properties may not be initiated by municipal corporations or enforcement authorities until October 1, 2003. The bill makes certain other changes.

Effective Date: Upon passage; July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: *Court Fee Revenue:* Community organizations, which could include a citizen's group, neighborhood association, neighborhood development corporation, or similar organization, would be able to bring a civil action regarding unsafe premises in the circuit, superior, or municipal court of the county. Currently, only an executive department authorized by ordinance to administer the Unsafe Building Law may do so. If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: *Ordinance Violation Cost Recovery* - This provision removes the requirement that a violation of an ordinance be located outdoors and not involve a building or structure before the municipal corporation may issue a bill to the owner for expenses incurred by the municipality in bringing the property into compliance with the ordinance. A municipal corporation may be able to recoup expenditures in a more timely manner via billing the owner than would otherwise be if the expenditures were made a lien against the property.

Ordinance Violation Registry - This bill also allows for a registry of properties that violate a municipal ordinance to be established and maintained by the chief administrative officer of the Department of Metropolitan Development or other agency authorized to administer the Unsafe Building Law. Additional administrative costs could be incurred by carrying out this provision, depending on lists municipalities may already maintain.

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

State Agencies Affected:

Local Agencies Affected: Trial courts, city and town courts.

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